

AMENDED IN ASSEMBLY SEPTEMBER 4, 2015

AMENDED IN ASSEMBLY JULY 7, 2015

AMENDED IN SENATE JUNE 2, 2015

AMENDED IN SENATE MAY 5, 2015

AMENDED IN SENATE APRIL 22, 2015

SENATE BILL

No. 637

Introduced by Senator Allen

February 27, 2015

An act to amend Section 5653 of the Fish and Game Code, and to add Section 13172.5 to the Water Code, relating to dredging.

LEGISLATIVE COUNSEL'S DIGEST

SB 637, as amended, Allen. Suction dredge mining: permits.

Existing law prohibits the use of any vacuum or suction dredge equipment by any person in any river, stream, or lake of this state without a permit issued by the Department of Fish and Wildlife. Existing law requires, before any person uses any vacuum or suction dredge equipment in any river, stream, or lake of this state, that person to submit an application for a permit for a vacuum or suction dredge to the department specifying certain information. Existing law requires the department to issue a permit, if the department determines that the use of a vacuum or suction dredge will not be deleterious to fish, upon the payment of a specified fee. Existing law designates the issuance of permits to operate vacuum or suction dredge equipment to be a project under the California Environmental Quality Act and suspends the issuance of permits and mining pursuant to a permit until the department has completed an environmental impact report for the project as ordered

by the court in a specified court action. Existing law prohibits the use of any vacuum or suction dredge equipment in any river, stream, or lake of this state until the Director of Fish and Wildlife makes a prescribed certification to the Secretary of State, including certifying that new regulations fully mitigate all identified significant environmental impacts and that a fee structure is in place that will fully cover all costs to the department related to the administration of the program.

This bill would require the department to issue a permit if the department determines that the use does not cause any significant effects to fish and wildlife and would authorize the department to adjust the specified fee to an amount sufficient to cover all reasonable costs of the department in regulating suction dredging activities. This bill would prohibit the department from issuing a permit until the permit application is deemed complete, as prescribed. *The bill would prohibit the permit from authorizing any activity in violation of other applicable requirements, conditions, or prohibitions governing the use of vacuum or suction dredge equipment, and would require the department, the State Water Resources Control Board, and the regional water quality control boards to make reasonable efforts to share information among the agencies regarding potential violations of requirements, conditions, or prohibitions.*

Under existing law, the State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements in accordance with the Federal Water Pollution Control Act and the Porter-Cologne Water Quality Control Act (state act). The state act, with certain exceptions, requires a waste discharger to file certain information with the appropriate regional board and to pay an annual fee. The state act additionally requires a person, before discharging mining waste, to submit to the regional board a report on the physical and chemical characteristics of the waste that could affect its potential to cause pollution or contamination and a report that evaluates the potential of the mining waste discharge to produce acid mine drainage, the discharge or leaching of heavy metals, or the release of other hazardous substances.

This bill would, ~~after the director has made the prescribed certification to the Secretary of State and after~~ prescribed public hearings and workshops, *as specified*, authorize the state board or a regional board to adopt waste discharge requirements *or a waiver of waste discharge requirements* that address water quality impacts of specified issues,

specify certain conditions or areas where the discharge of ~~waste~~ *waste or other adverse impacts on beneficial uses of the waters of the state* from ~~a~~ *the use of vacuum or suction dredge equipment* is prohibited, or prohibit particular *use of, or methods of using, vacuum or suction dredge mining if the state board or regional board makes a certain determination. equipment, or any protion thereof, for the extraction of minerals, as specified.*

The bill would specify that ~~a suction dredge is equipment used for mining operations that contains any of specified components for purposes of permits issued by the department and for purposes of the regulatory process established by the state board or a regional board.~~ *the use of vacuum or suction dredge equipment is defined as the use of a mechanized or motorized system for removing or assisting in the removal of, or the processing of, material from the bed, bank, or channel of a river, stream, or lake in order to recover minerals.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) In August 2009, Governor Arnold Schwarzenegger signed
- 4 Senate Bill 670 (Chapter 62 of the Statutes of 2009) which
- 5 established a temporary ban on *the use of vacuum or suction dredge*
- 6 ~~mining equipment~~ *until after the Department of Fish and Wildlife*
- 7 *completed a court-ordered environmental review* ~~was completed.~~
- 8 *of its related permitting program and existing regulations.*
- 9 (b) ~~The Department of Fish and Wildlife draft regulations and~~
- 10 ~~draft environmental impact report were issued in February 2011.~~
- 11 ~~The draft environmental impact report identified nine significant~~
- 12 ~~and unmitigable impacts from suction dredge mining. The report~~
- 13 ~~concluded that suction dredge mining for gold mobilizes and~~
- 14 ~~discharges toxic levels of mercury, harming drinking water quality~~
- 15 ~~and potentially poisoning fish and wildlife, harms fish, amphibians,~~
- 16 ~~and songbirds by disrupting habitat, and causes substantial adverse~~
- 17 ~~changes statewide in American Indian cultural and historical~~
- 18 ~~resources.~~
- 19 (e)

(b) In July 2011, ~~the Legislature enacted Governor Schwarzenegger signed~~ Assembly Bill 120 (Chapter 133 of the Statutes of 2011), extending the prohibition on *the use of vacuum or suction dredge mining* until 2016, ~~and requiring the department to create a equipment to June 2016 or, if earlier, until the Director of Fish and Wildlife certified five conditions to the Secretary of State, including completion of the court-ordered environmental review, the adoption of and operation of any updated regulations implementing Section 5653 of the Fish and Game Code, full mitigation of all identified significant environmental effects, and the existence of a permit fee structure that would fully cover all of its administrative costs relating to suction dredge mining.~~ incurred by the department to administer its permitting program.

(c) In March 2012, the Department of Fish and Wildlife completed the court-ordered environmental review and rulemaking effort, certifying the environmental impact report and adopting updated regulations to implement and administer its related permitting program pursuant to Section 5653 of the Fish and Game Code. In certifying the environmental impact report and adopting the regulations, the department found, for purposes of the California Environmental Quality Act (CEQA), that, among other things, significant effects on the environment had to be mitigated to the extent feasible consistent with enabling statutory authority directing the department to promulgate the updated regulations, but the use of vacuum or suction dredging equipment to extract minerals would result in various significant and unavoidable environmental effects beyond the substantive reach of the department in promulgating the regulations. The department considers the environmental impact report it certified in March 2012 to be the most comprehensive, technical review of suction dredge mining ever prepared in California.

(d) As to significant and unavoidable effects, in March 2012, the Department of Fish and Wildlife determined, for purposes of CEQA, that the use of vacuum or suction dredge equipment, consistent with the updated regulations implementing Section 5653 of the Fish and Game Code, could result in effects associated with the following:

- (1) The resuspension and discharge of mercury and trace metals.
- (2) Turbidity and total suspended sediment.

1 (3) *Substantial adverse changes, when considered statewide,*
2 *in the significance of historical and unique archaeological*
3 *resources.*

4 (4) *Riparian habitat of special status passerines.*

5 (5) *Effects on nonfish wildlife species and their habitat.*

6 (6) *Exposure of the public to noise levels in excess of city or*
7 *county standards.*

8 ~~(d)~~

9 ~~(e) In June 2012, the Legislature acted again on suction dredge~~
10 ~~mining by enacting Governor Brown signed Senate Bill 1018~~
11 ~~(Chapter 39 of the Statutes of 2012), which eliminated the sunset~~
12 ~~provision from Assembly Bill 120. Senate Bill 1018 also directed~~
13 ~~the department to consult with various agencies and to provide~~
14 ~~recommendations to the Legislature by April 1, 2013, regarding~~
15 ~~statutory changes or authorizations necessary for the department~~
16 ~~to promulgate suction dredge regulations. Those recommendations~~
17 ~~were to include ways to fully mitigate all identified significant~~
18 ~~environmental impacts and a fee structure to cover the department's~~
19 ~~costs of administering the program.~~

20 ~~(e)~~

21 ~~(f) On April 1, 2013, the department submitted the required~~
22 ~~report to the Legislature. The department considers the~~
23 ~~environmental impact report on its proposed suction dredge mining~~
24 ~~regulatory permit program to be the most comprehensive review~~
25 ~~of suction dredge mining ever compiled in California. The report~~
26 ~~identified impacts that the department said could not be mitigated~~
27 ~~within its legal authorities. report provides specific~~
28 ~~recommendations for statutory amendments necessary to modernize~~
29 ~~the regulation of suction dredge mining under the Fish and Game~~
30 ~~Code, and reflects the department's efforts to consult with, and~~
31 ~~includes related additional recommendations from, various other~~
32 ~~state agencies, including the State Water Resources Control Board.~~
33 ~~The State Water Resources Control Board in its related letter~~
34 ~~appended to the department's report emphasized that the State~~
35 ~~Water Resources Control Board and its sister agencies, the~~
36 ~~regional water quality control boards, are tasked with the~~
37 ~~protection, control, and utilization of all waters of the state and~~
38 ~~may regulate any activity or factor that may affect water quality.~~

39 ~~(f)~~

(g) In January 2015, the ~~San Bernardino Superior Court~~ issued a tentative ruling that state-issued suction dredge mining permits could not be required on federal land. The court noted that, while the state clearly has the power to issue suction dredge mining permits, the state's refusal or inability to issue the permits creates an obstacle to conforming with federal law. *California Supreme Court granted a petition for review to consider whether the federal Mining Act of 1872 (30 U.S.C. Sec. 22 et seq.) preempts Sections 5653 and 5653.1 of the Fish and Game Code with respect to the use of vacuum and suction dredging equipment (People v. Rinehart, Case No. S222620).*

(h) Given the importance of protecting the water supply for all Californians from degradation, the need to protect what is left of California native cultural sites, and the value of protecting the state's wildlife, it is urgent that the Legislature act immediately to clarify the laws regulating suction dredge mining and other related forms of small scale motorized gold mining in the state's streams and waterways.

SEC. 2. Section 5653 of the Fish and Game Code is amended to read:

5653. (a) The use of a vacuum or suction dredge equipment by a person in a river, stream, or lake of this state is prohibited, except as authorized under a permit issued to that person by the department in compliance with the regulations adopted pursuant to Section 5653.9. Before a person uses a vacuum or suction dredge equipment in a river, stream, or lake of this state, that person shall submit an application *to the department* for a permit ~~for a~~ *to use the vacuum or suction dredge to the department, equipment,* specifying the type and size of equipment to be used and other information as the department may ~~require~~. *require pursuant to regulations adopted by the department to implement this section.*

(b) (1) The department shall not issue a permit ~~for a~~ *the use of* vacuum or suction dredge *equipment* until the permit application is deemed complete. A complete permit application shall include ~~copies of all required permits, including permits required under the Federal Water Pollution Control Act (33 U.S.C. Sec. 1251 et seq.) and the Water Code, and any other applicable permit required to fully mitigate all identified significant environmental impacts pursuant to regulations adopted under subdivision (b) of Section~~

1 ~~5653.1.~~ any other permit required by the department and one of
2 the following, as applicable:

3 (A) A copy of waste discharge requirements or a waiver of waste
4 discharge requirements issued by the State Water Resources
5 Control Board or a regional water quality control board in
6 accordance with Division 7 (commencing with Section 13000) of
7 the Water Code.

8 (B) A copy of a certification issued by the State Water Resources
9 Control Board or a regional water quality control board and a
10 permit issued by the United States Army Corps of Engineers in
11 accordance with Sections 401 and 404 of the Federal Water
12 Pollution Control Act (33 U.S.C. Secs. 1341 and 1344, respectively)
13 to use vacuum or suction dredge equipment.

14 ~~(2)~~

15 (C) If the State Water Resources Control Board or the
16 appropriate regional water quality control board determines that
17 ~~no water quality or water rights permit~~ waste discharge
18 requirements, a waiver of waste discharge requirements, or a
19 certification in accordance with Section 1341 of Title 33 of the
20 United States Code is not necessary for the applicant to use of a
21 vacuum or suction ~~dredge~~, dredge equipment, a letter stating this
22 determination signed by the Executive Director of the State Water
23 Resources Control Board, the executive officer of the appropriate
24 regional water quality control board, or their designee shall be part
25 of the permit application. *designee.*

26 ~~(3) For the purpose of the Permit Streamlining Act (Chapter 4.5~~
27 ~~(commencing with Section 65920) of Division 1 of Title 7 of the~~
28 ~~Government Code), the department shall not deem the permit~~
29 ~~application complete until the applicant submits all necessary~~
30 ~~permits and any required letters to the department as part of the~~
31 ~~permit application.~~

32 (c) Under the regulations adopted pursuant to Section 5653.9,
33 the department shall designate waters or areas wherein vacuum or
34 suction ~~dredges~~ dredge equipment may be used pursuant to a
35 permit, waters or areas closed to ~~those dredges~~, the use of that
36 equipment, the maximum size of ~~those dredges~~ the vacuum or
37 suction dredge equipment that may be used, and the time of year
38 when ~~those dredges~~ the equipment may be used. If the department
39 determines, pursuant to the regulations adopted pursuant to Section
40 5653.9, that the use of a vacuum or suction dredge equipment does

1 not cause any significant effects to fish and wildlife, it shall issue
2 a permit to the applicant. If a person ~~operates~~ *uses vacuum or*
3 *suction dredge* equipment other than ~~that as~~ *authorized by the a*
4 *permit or conducts the operation in any waters or area or at any*
5 *time that is not authorized by the permit, or if any person conducts*
6 *the operation without securing the permit, issued by the department*
7 *consistent with regulations implementing this section*, that person
8 is guilty of a misdemeanor.

9 (d) (1) Except as provided in paragraph (2), the department
10 shall issue a permit upon the payment, in the case of a resident, of
11 a base fee of twenty-five dollars (\$25), as adjusted under Section
12 713, when an onsite investigation of the project size is not deemed
13 necessary by the department, and a base fee of one hundred thirty
14 dollars (\$130), as adjusted under Section 713, when the department
15 deems that an onsite investigation is necessary. Except as provided
16 in paragraph (2), in the case of a nonresident, the base fee shall be
17 one hundred dollars (\$100), as adjusted under Section 713, when
18 an onsite investigation is not deemed necessary, and a base fee of
19 two hundred twenty dollars (\$220), as adjusted under Section 713,
20 when an onsite investigation is deemed necessary.

21 (2) The department may adjust the base fees for a permit
22 described in this subdivision to an amount sufficient to cover all
23 reasonable costs of the department in regulating suction dredging
24 activities.

25 (e) It is unlawful to possess a vacuum or suction dredge in areas,
26 or in or within 100 yards of waters, that are closed to the use of
27 vacuum or suction dredges.

28 (f) *A permit issued by the department under this section shall*
29 *not authorize an activity in violation of other applicable*
30 *requirements, conditions, or prohibitions governing the use of*
31 *vacuum or suction dredge equipment, including those adopted by*
32 *the State Water Resources Control Board or a regional water*
33 *quality control board. The department, the State Water Resources*
34 *Control Board, and the regional water quality control boards shall*
35 *make reasonable efforts to share information among the agencies*
36 *regarding potential violations of requirements, conditions, or*
37 *prohibitions governing the use of vacuum or suction dredge*
38 *equipment.*

39 (f)

(g) For purposes of this section and Section 5653.1, ~~a suction dredge is equipment used for mining operations that contains any of the following:~~ *the use of vacuum or suction dredge equipment, also known as suction dredging, is the use of a mechanized or motorized system for removing or assisting in the removal of, or the processing of, material from the bed, bank, or channel of a river, stream, or lake in order to recover minerals. This section and Section 5653.1 do not apply to, prohibit, or otherwise restrict nonmotorized recreational mining activities, including panning for gold.*

~~(1) A hose that vacuums sediment from the bed or bank of a river, stream, or lake.~~

~~(2) A motorized pump.~~

~~(3) A motorized sluice box.~~

~~(4) Related small-scale mechanized mining equipment.~~

SEC. 3. Section 13172.5 is added to the Water Code, to read:

~~13172.5. (a) After the Director of Fish and Wildlife has certified to the Secretary of State that all of the events described in subdivision (b) of Section 5653.1 of the Fish and Game Code have occurred, and after conducting appropriate workshops and hearings pursuant to subdivision (b),~~

13172.5. (a) For purposes of this section, the use of any vacuum or suction dredge equipment, also known as suction dredging, is the use of a mechanized or motorized system for removing or assisting in the removal of, or the processing of, material from the bed, bank, or channel of a river, stream, or lake in order to recover minerals. This section does not apply to, prohibit, or otherwise restrict nonmotorized recreational mining activities, including panning for gold.

(b) In order to protect water quality, the state board or a regional board may take one or more of the following actions:

(1) Adopt waste discharge requirements or a waiver of waste discharge requirements that, at a minimum, address the water quality impacts of each of the following:

(A) Mercury loading to downstream reaches of surface water bodies affected by the use of vacuum or suction dredge ~~mining~~ equipment.

(B) Methylmercury formation in water bodies.

(C) Bioaccumulation of mercury in aquatic organisms.

(D) Resuspension of metals.

(2) Specify certain conditions or areas where the discharge of waste *or other adverse impacts on beneficial uses of the waters of the state* from the use of vacuum or suction dredge ~~mining equipment~~ is prohibited, consistent with Section 13243.

(3) Prohibit any particular ~~methods of suction dredge mining use of, or methods of using, vacuum or suction dredge equipment, or any portion thereof, for the extraction of minerals~~ that the state board or a regional board determines generally cause or contribute to an exceedance of applicable water quality objectives or unreasonably impact beneficial uses.

~~(b)~~
(c) (1) Before determining what action to take pursuant to subdivision ~~(a)~~, *(b)*, the state board ~~or regional board~~ shall solicit stakeholder input by conducting ~~at least one public workshop. If the state board is soliciting stakeholder input, the state board shall conduct the public workshops in areas of the state where, in 2009, a substantial number of residents held a suction dredge mining permit issued by the Department of Fish and Wildlife.~~ *workshops in the vicinity of the cities of San Bernardino, Fresno, Sacramento, and Redding. A regional board considering independent action pursuant to subdivision (b) shall solicit stakeholder input by conducting at least one public workshop in that board's region.* To promote participation in the public workshops, the state board or regional board shall proactively reach out to mining groups, environmental organizations, and California Native American tribes, as defined in Section 21073 of the Public Resources Code.

(2) Before taking a proposed action pursuant to subdivision ~~(a)~~, *(b)*, the state board *or regional board* shall conduct at least ~~two~~ *one* public ~~hearings, and the regional board at least one public hearing,~~ *hearing* regarding that proposed ~~action.~~ *action pursuant to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).*

(3) To avoid duplication of efforts between the state board and a regional board of a public workshop or public hearing that covers the same regional area, the state board and a regional board may work in collaboration to share information obtained through the ~~public workshop workshops~~ or public hearing.

~~(e) For purposes of this section, a suction dredge is equipment used for mining operations that contains any of the following:~~

1 ~~(1) A hose that vacuums sediment from the bed or bank of a~~
2 ~~river, stream, or lake.~~

3 ~~(2) A motorized pump.~~

4 ~~(3) A motorized sluice box.~~

5 ~~(4) Related small-scale mechanized mining equipment.~~

6 SEC. 4. *(a) Except as provided by the changes made by this*
7 *act, the Legislature finds and declares that the regulations*
8 *promulgated by the Department of Fish and Wildlife in 2012 to*
9 *implement and interpret Sections 5653 and 5653.1 of the Fish and*
10 *Game Code were consistent and in compliance with the Fish and*
11 *Game Code, the California Environmental Quality Act (Division*
12 *13 (commencing with Section 21000) of the Public Resources*
13 *Code), and the Administrative Procedure Act (Chapter 3.5*
14 *(commencing with Section 11340) of Part 1 of Division 3 of Title*
15 *2 of the Government Code).*

16 *(b) The Legislature also finds and declares that, except for water*
17 *quality, after complying with the Governor's Executive Order*
18 *B-10-11 regarding tribal consultation and additional consultation*
19 *requirements pursuant to Chapter 532 of the Statutes of 2014, also*
20 *known as Assembly Bill 52 (Gatto), the Department of Fish and*
21 *Wildlife may determine, for purposes of Section 5653.1 of the Fish*
22 *and Game Code, that significant environmental impacts to*
23 *resources other than fish and wildlife resources caused by the use*
24 *of vacuum or suction dredge equipment for the extraction of*
25 *minerals are fully mitigated if a regulation adopted by the*
26 *department to implement and interpret Section 5653 of the Fish*
27 *and Game Code requires compliance with other laws and provides,*
28 *in part, that nothing in a permit or amended permit issued by the*
29 *department relieves the permittee of responsibility to comply with*
30 *all applicable federal, state, or local laws or ordinances.*